



Beechcraft®

BY TEXTRON AVIATION

Healthcare

September 9, 2020



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Deep dive: New, no deductible healthcare plan

Recap

- ✓ Healthcare cost drivers
- ✓ Current healthcare plans
- ✓ Healthcare strategy

We heard our employees!

Textron Aviation is excited to provide a **new, no deductible plan** that features no co-insurance, plus clear, upfront pricing.

Highlights of new, no deductible healthcare plan

Prefer a co-pay type of program

✓ Uses co-pays

Benefits are confusing and hard to understand

✓ Know your final cost before receiving the service

Deductibles are too high

✓ No deductible

Multiple bills are confusing and difficult to decipher

✓ Receive only one bill for each visit or surgery

Details of the new, no deductible healthcare plan

- The new plan covers **all the same items** as the current plans.
- **Employee payroll deductions** for the new plan will be the same as 2020 Low HSA Deductible payroll deductions
- New plan uses the current **United Healthcare network of physicians**
 - Not required to change doctors
- The new plan **is not HSA eligible** under IRS regulations
 - Current HSA funds are yours to keep and spend on future medical expenses, but no new contributions can be made while covered under this plan
- Cap on employee out-of-pocket expenses

How co-pays works

- Simple, straightforward
- You know the cost *before* entering the doctor's office

Medical Co-Pays	Prices
Preventive Visits, including eye exam	\$0
Office Visits	\$15 to \$75
Virtual Visit	\$20
Retail Visit (e.g. CVS Minute Clinic)	\$30
Urgent Care	\$100
Emergency Room	\$350
Physical/Occupational/Speech Therapy	\$20 to \$140
High-Tech Imaging	\$175 to \$900
Outpatient Surgery	\$1,200
Inpatient Hospital/Maternity	\$750 to \$2,050

Prescription Drug Co-Pays	Retail (30 Days)
Preventive MX drugs	\$0
Generic	\$20
Tier 1 Brand	\$60
Tier 2 Brand	\$100
Specialty	\$250-\$300

Co-pays based on value in new plan

Why do co-pays vary?

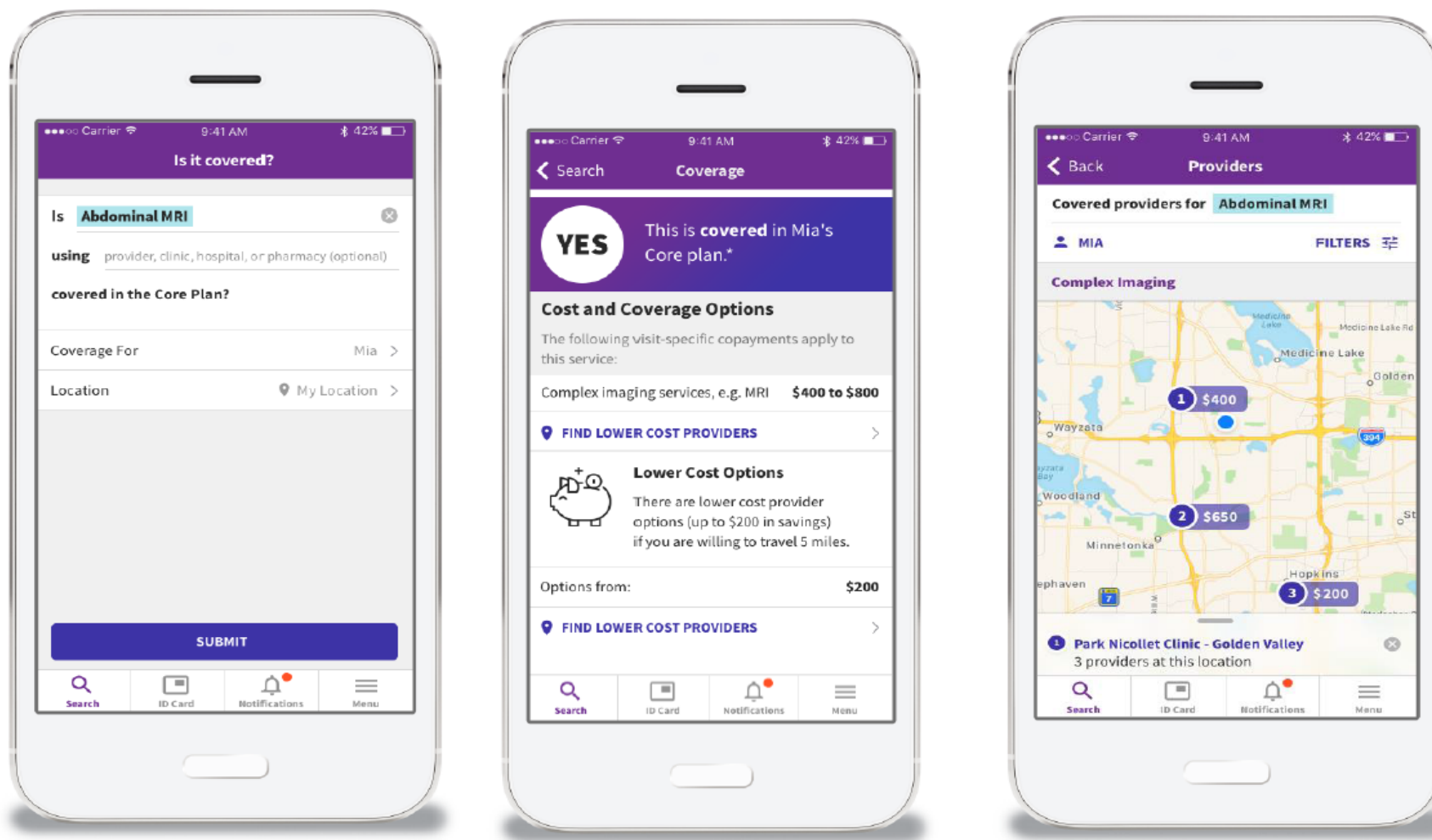
Healthcare providers charge different amounts for the same services.

Low co-pay does not equal a low-quality provider.

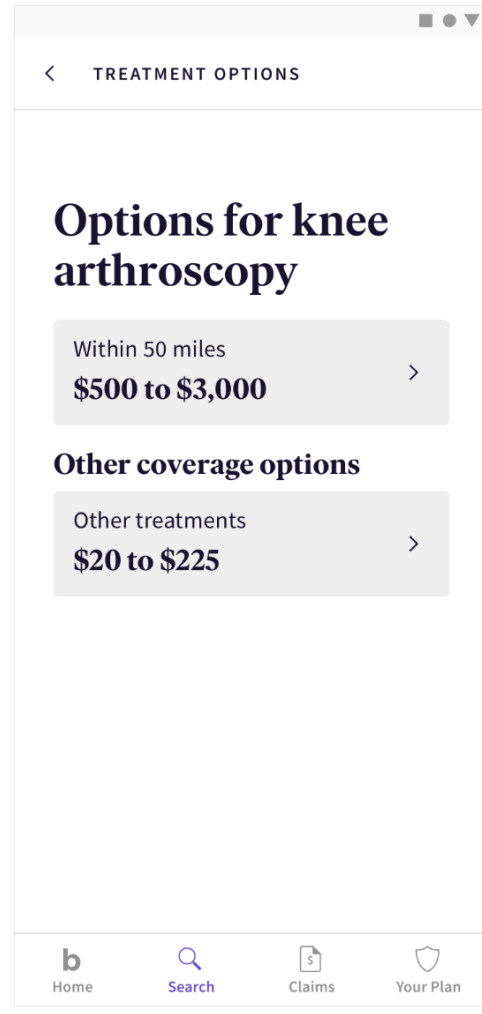
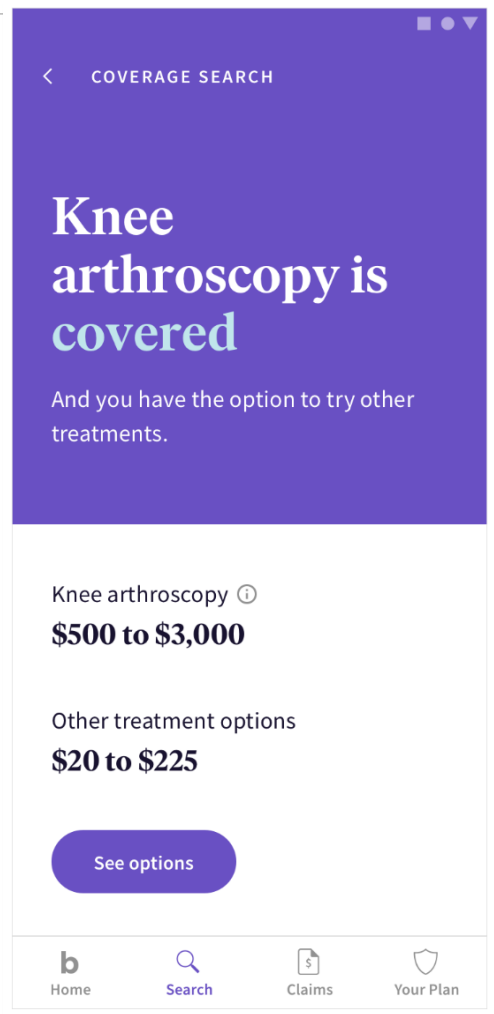
With the new, no deductible healthcare plan, you pay less for doctors, clinics and hospitals with:

- **Lower direct costs** | The providers are efficient in getting covered members better.
- **Lower complications** | Covered members had fewer adverse effects.
- **Proven effectiveness** | Covered members get better, faster.

User-friendly app lets employees research care and choose the best option



Plan encourages employees to explore their treatment alternatives



Company Private



Better tools help employees make more informed care decisions

An MRI would clearly cost \$900 at **Wesley Medical Center** ...

COVERAGE SEARCH

Magnetic resonance imaging (MRI) is covered

Magnetic resonance imaging (MRI) is covered in your plan.

Find providers

Complex imaging \$175 to \$900

Things you should know

- Consider your lower cost options. Your copays are lower for doctors and/or facilities with lower direct costs and fewer

Home Search Claims Your Plan

LOCATIONS

Complex Imaging

\$175 to \$900

38 in-network locations near Wichita, KS

Wesley Medical Center

550 N Hillside St, Wichita, KS, 67214 1.85 mi

\$900 complex imaging

Ascension Via Christi Hospitals Wichita

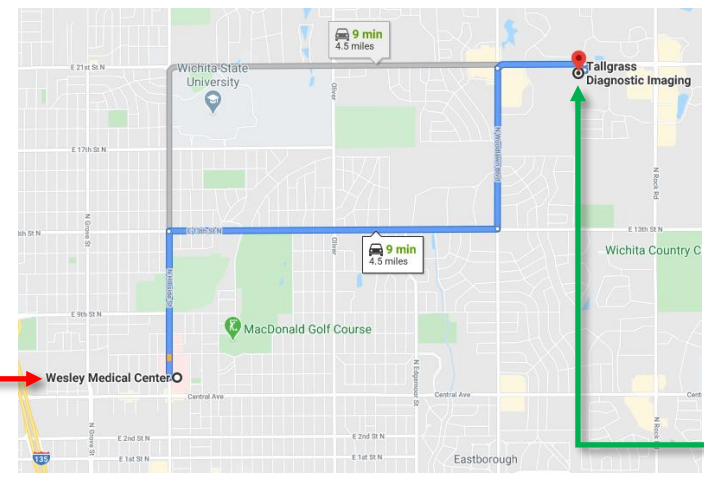
929 N St Francis, Wichita, KS, 67214 0.89 mi

\$900 complex imaging

Heartland Cardiology

9000 W Central Ave, Wichita, KS, 67212 6.43 mi

Home Search Claims Your Plan



LOCATIONS

Complex Imaging

\$175 to \$900

38 in-network locations near Wichita, KS

Premier Open MRI of Wichita

500 S Main St, Wichita, KS, 67202 0.61 mi

\$175 complex imaging

Tallgrass Open MRI

7111 E 21st St N Ste B, Wichita, KS, 67206 4.84 mi

\$175 complex imaging

West Wichita Surgery Center

8200 W Central Ave Ste 3, Wichita, KS, 67212 5.86 mi

\$175 complex imaging

Home Search Claims Your Plan

... but you could also know that you could go to **Tallgrass Open MRI** and it would cost \$175.

Frequent user with diabetes*

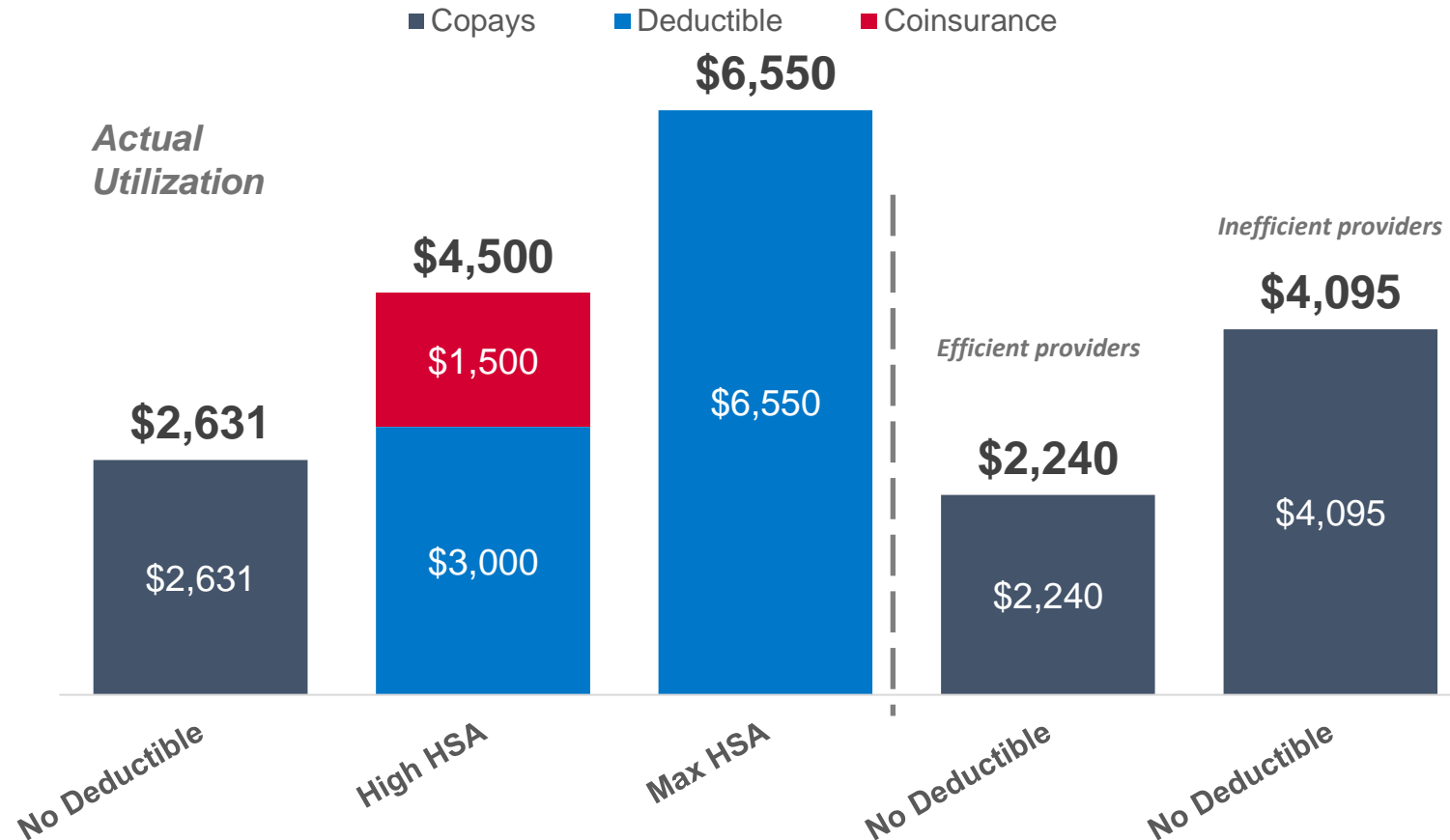
Member Costs	Deductible Phase	No Deductible Plan Copay (Actual Provider)
Doctor visit	\$159	\$15
Eye visit – diabetic care	\$612	\$70
Other Specialists – Neurologist / Rheumatologist	\$152	\$68
MRI - Brain	\$1,048	\$300
12 Preferred Brand Scripts	\$200	\$60
12 Generic Scripts	\$20	\$20

*2018 encounter costs

Changes to potential full-year costs for frequent user with diabetes under new plan

Diabetes

- 6 Doctor visits
- 7 Eye visits
- 7 Other Specialist Visits
- 2 MRIs
- 12 Preferred Brand Scripts
- 12 Generic Scripts



Note: Member scenarios based on actual diabetic member utilization under Textron plans in 2018
 "Efficient providers" assumes that a member shops for the lowest price on each service, while "Inefficient providers" assumes a member elects providers with the highest price
 2020 Contributions are displayed for \$50,000 - \$100,000 Salary Band